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FM AMCONSUL LAGOS
TO RUEHC/SECSTATE WASHDC 9314
INFO RUEHUJA/AMEMBASSY ABUJA 9103
RUEHCO/AMEMBASSY COTONOU 0647
RUEHPC/AMEMBASSY LOME 0655
RUEHAR/AMEMBASSY ACCRA 1318
RUEHWR/AMEMBASSY WARSAW 0489
RUEHCD/AMCONSUL CIUDAD JUAREZ 0469
RUEHZK/ECOWAS COLLECTIVE
RUCPDO/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS SECTION 01 OF 02 LAGOS 000563

SIPDIS

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DEPARTMENT FOR AF/W (SILSKI) AND AF/EPS (POTASH)
DEPARTMENT PASS TO USTR (AGAMA)
ACCRA PLEASE PASS TO WEST AFRICA TRADE HUB
DOE FOR CAROLYN GAY

E.O. 12958: N/A

TAGS: [ETRD](#) [EFIN](#) [ECON](#) [NI](#)

SUBJECT: MARKET INFORMATION SYSTEM EXPANDS TRADE, INCREASES PROFITS

LAGOS 00000563 001.2 OF 002

¶1. Summary: In partnership with telecommunications firm MTN, the Network of Agricultural Market Information of Nigeria (NAMIN) launched an agricultural market information system, accessible to MTN subscribers. The market prices of a number of agricultural products would be available to subscribers via short message service (SMS). By providing prices for a number of markets in Nigeria and other West African countries, NAMIN and MTN expected to expand regional trade and increase producers' profits. They also hoped it would inform the national consumer price index. This project received initial funding from USAID. End summary.

Market Prices Available Via Mobile Phone Text Message

¶2. On July 26, the Network of Agricultural Market Information of Nigeria (NAMIN) and MTN launched a partnership to provide real-time prices of agricultural products via short message service (SMS). A subscriber would send an SMS to a local phone number with a commodity's internationally-recognized code and would receive an automated response with the commodity's price. This service would make market information readily available to producers, traders, and consumers.

¶3. Through its corporate arm, Agricultural Business Information Service of Nigeria (ABIS), NAMIN currently collects and disseminates market information on agricultural products on a weekly basis from some 80 rural and urban markets across Nigeria, Benin, and Togo. Prices are posted on NAMIN's website. The SMS project would make this information widely available to small producers, traders, and consumers.

Information Expands Market, Profits

¶4. Folu Oguntona, MTN Marketing Manager for Small and Medium-Sized Enterprises (SMEs), said the service would help producers and traders make timely determinations about the markets that offer the best prices for their goods. Households would also make informed decisions about where and when to buy certain commodities. MTN already provides this service in other African countries including

Benin and Ghana. This kind of market intelligence is expected to "put more money in the pockets of farmers and not middlemen", as it facilitates better pricing and trading decisions, Oguntona said.

15. Accurate information on prices would also increase regional trade as merchants realized they could secure better prices outside of their home markets, said Dr. Richardson Okechukwu, NAMIN Coordinator. This was significant in West Africa, where there was a divide between Francophone and Anglophone countries.

16. Okechukwu expected the data collected by NAMIN's enumerators would be used in estimating the national consumer price index (CPI). This would stem inflation of market prices, which, according to many observers, has been artificially driven.

17. (U) Presently, commodity prices are available on the NAMIN/Tradenet website, www.namin.biz. Prices of export crops such as cocoa and cashew, as well as locally-consumed items such as rice and vegetables are available. Traders also have access to prices of these goods in other West African countries at www.tradenet.biz/westafricaagrictradenetwork.

Gap Funding Is Needed

18. The revenue MTN collected from the SMS service would fund continued training for enumerators and marketing. But NAMIN faced a funding gap between September, when its USAID funding through the regional Market Information System and Traders' Organization in West Africa (MISTOWA) expired, until the project generated enough revenue. Dr. Okechukwu asked EconOff and EconSpec whether there was short-term funding available, approximately USD 7,000, to fill this gap.

Comment

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19. Dissemination of market price information in Nigeria is long overdue. Participants and observers hope the NAMIN/MTN price information service will help in the estimation of consumer price index and reduce inflationary trends, which has been a source of hardship for Nigerian consumers. End comment.